

Message Text

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ACTION EB-08

INFO OCT-01 ISO-00 AF-08 ARA-10 EA-09 EUR-12 NEA-10

CIAE-00 COME-00 DODE-00 DOTE-00 FMC-02 INR-07

NSAE-00 CG-00 DLOS-09 OES-06 FEA-01 ERDA-07

AID-05 CEA-01 FPC-01 H-02 INT-05 L-03 NSC-05

OMB-01 PM-04 USIA-15 SP-02 SS-15 STR-04 TRSE-00

ACDA-10 PA-02 PRS-01 /166 W

-----291159Z 022468 /22

P R 291147Z MAR 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 2031

INFO AMEMBASSY OTTAWA

AMEMBASSY ATHENS

AMEMBASSY BONN

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY ISLAMABAD

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY MADRID

AMEMBASSY MEXICO

AMEMBASSY MONROVIA

AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI

AMEMBASSY OSLO

AMEMBASSY PANAMA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY THE HAGUE

AMEMBASSY STOCKHOLM

AMEMBASSY TEHRAN

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E.O. 11652: N/A

TAGS: EWWT, ENRG

SUBJECT: CONGRESSMAN MURPHY SPEAKS AT SEA TRADE CONFER-
ENCE ON OIL CARGO PREFERENCE, MARINE POLLUTION
CONTROL AND THIRD FLAG LEGISLATION

SUMMARY: CONGRESSMAN JOHN MURPHY, CHAIRMAN OF THE HOUSE

MERCHANT MARINE AND FISHERIES COMMITTEE. SPOKE MAR. 23 TO A LARGE AUDIENCE OF INTERNATIONAL SHIPBUILDING, SHIPPING AND BANKING EXECUTIVES AT A MAJOR LONDON CONFERENCE ON MONEY AND SHIPPING SPONSORED BY SEATRADE MAGAZINE. HIS PREPARED REMARKS AND SUBSEQUENT REPLIES TO QUESTIONS COVERED HIS OIL CARGO "EQUITY" BILL, HIS VIEWS ON MARINE POLLUTION CONTROL LEGISLATION AND PRESIDENT CARTER'S MARCH 17 MARINE POLLUTION MESSAGE TO CONGRESS, AND HIS CONCERNS REGARDING EASTERN BLOC SHIPPING COMPETITION. HIS FELLOW PANEL MEMBERS AND THE AUDIENCE STRONGLY OBJECTED TO US OIL CARGO PREFERENCES AND PREDICTED SERIOUS CONSEQUENCES TO THE WORLD TRADING SYSTEM FROM US CARGO PREFERENCE ACTION (DISCUSSED SEPTEL). END SUMMARY.

1. CONGRESSMAN MURPHY EXPLAINED AND DEFENDED THE EVOLUTION AND NECESSITY OF US CARGO "EQUITY" LEGISLATION, AS HE TERMED IT. HE DESCRIBED CARGO PREFERENCE FOR US SHIPS AS THE BEST WAY FOR THE US TO DEVELOP A MERCHANT FLEET CAPABLE OF MEETING ITS SECURITY NEEDS AND OF CONTRIBUTING TO ITS ECONOMIC WELL BEING. HE REVIEWED HISTORY OF US MERCHANT MARINE FROM 4800 SHIPS AT END OF WWII TO PRESENT 577 VESSELS AND SHARP DECLINE, EVEN DURING LAST DECADE, IN OFFICER AND CREW EMPLOYMENT FROM 77,000 IN 1967 TO 20,000 IN 1977. HE CALLED ILLUSORY THE US AGREEMENTS PROVIDING FOR EFFECTIVE CONTROL OF FOREIGN FLAG SHIPPING IN TIMES OF EMERGENCY AND THE 1970 SHIPPING ACT AS INEFFECTIVE IN ENLARGING THE US MERCHANT FLEET. HE ADMITTED THAT OIL CARGO PREFERENCE WOULD BE PAID FOR BY US CONSUMERS IN TERMS OF HIGHER PRICES FOR UNCLASSIFIED

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PETROLEUM PRODUCTS, BUT THE INCREASED COST TO THE US CONSUMER WAS JUSTIFIED IN TERMS OF DECREASED US DEPENDENCE ON FOREIGN MERCHANT FLEETS AND INCREASED EMPLOYMENT IN THE US ECONOMY. MURPHY DID STATE THAT HE INTENDED TO INTRODUCE INTO HIS LEGISLATION PROCEDURES FOR PRESENTLY EXISTING US BENEFICIALLY-OWNED TANKERS TO BE BROUGHT UNDER THE US FLAG TO ENABLE THE US TO CARRY 30 PERCENT OF ITS IMPORTED OIL BY 1980.

2. REGARDING RECENT US MARINE POLLUTION PROBLEMS AND PROPOSED LEGISLATION, HE SPOKE OF HEAVY-HANDED AND ILL-

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OMB-01 PM-04 USIA-15 SP-02 SS-15 STR-04 TRSE-00
ACDA-10 PA-02 PRS-01 /166 W
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P R 291147Z MAR 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC PRIORITY 2032
INFO AMEMBASSY OTTAWA
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CONSIDERED DEMANDS IN THE US FOR TANKER CONTROL. HE
THOUGHT THAT THE PROPOSED SENATE LEGISLATION WAS WRONG IN
COMBINING OIL CARGO PREFERENCES AND TANKER POLLUTION

REGULATION. PRESIDENT CARTER'S PROPOSALS FOR NEW MARINE POLLUTION REGULATIONS SEEMED TO HIM TOO RESTRICTIVE WHILE THE PROPOSED REQUIREMENT FOR WIDESPREAD USE OF DOUBLE BOTTOMS WAS DANGEROUS. HE COULD AGREE TO A LIMITED IMPOSITION OF SEGREGATED BALLAST. EQUIPMENT IMPROVEMENT WAS NOT ENOUGH; THE REAL NEED WAS FOR CREW TRAINING AND ASSURANCE OF CREW COMPETENCE. HE INTENDED THAT HIS COMMITTEE SHOULD HOLD FULL HEARINGS ON TANKER SAFETY ISSUES AND THE ADMINISTRATION PROPOSALS. HIS COMMITTEE'S SUBCOMMITTEE WOULD BE HOLDING COAST GUARD AUTHORIZATION HEARINGS NEXT MONTH AND WOULD GO INTO THE RECENT OIL POLLUTION INCIDENTS AND THE CAPABILITY AND NEEDS OF THE COAST GUARD.

3. MURPHY REVIEWED THE COMPETITIVE PRACTICES OF COMMUNIST BLOC MERCHANT MARINES WHICH HE VIEWED AS UNACCEPTABLE DUE TO THEIR UNDERMINING OF THE CONFERENCE SYSTEM. HE WELCOMED THE LENINGRAD AGREEMENT AS A STEP TOWARDS SOLUTION OF THE PROBLEM OF EASTERN BLOC COMPETITION AND HIS COMMITTEE WAS WATCHING TO SEE HOW IT WAS IMPLEMENTED. IF PROGRESS WAS NOT SATISFACTORY, HIS COMMITTEE WOULD ONCE AGAIN INTRODUCE A THIRD FLAG BILL.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Legacy Key: link1977/newtext/t19770312/aaaaajuw.tel
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Office: ACTION EB
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TAGS: EWWT, ENRG, US, (MURPHY, JOHN)
To: STATE
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/c5ab01b0-c288-dd11-92da-001cc4696bcc
Review Markings:
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